

Manzullo legislation favors U.S.-based manufacturing

ROCKFORD — U.S. House Small Business Committee Chairman Don Manzullo (R-IL) introduced legislation April 23 that encourages companies to keep production and jobs in America.

The Job Protection Act of 2003, co-authored by Manzullo and U.S. Reps. Phil Crane (R-IL) and Charles Rangel (D-NY), helps small manufacturers with facilities based in the United States. Under the Crane-Rangel-Manzullo Bill (H.R. 1769), a manufacturer's 35-percent corporate income tax rate would drop to 31.5 percent if its products are produced solely in the United States.

Other companies with overseas operations would receive a sliding-scale rate reduction. The more operations in America, the more tax relief.

"The Crane-Rangel-Manzullo bill obviously helps small manufacturers the most, because they are more likely to base production here in America," Manzullo said.

The legislation is part of Manzullo's ongoing mission to restore manufacturing in America.

"We must put our manufacturers back to work, if we are to have real economic recovery in America," Manzullo said.

Legislation to aid self-employed

Manzullo and Committee Ranking Democrat Member Nydia Velazquez (D-NY) introduced bipartisan legislation on April 30 to help America's 16 million self-employed business owners better afford health insurance.

The Self-Employed Health Care Affordability Act of 2003 (H.R. 1873) would allow self-employed business owners to deduct their health insurance costs when calculating their payroll taxes; the current law only allows a deduction when calculating individual income taxes.

Self-employed workers pay a 15.3 percent payroll tax on top of their

individual income tax. Allowing them to deduct their health insurance costs would reduce those costs by more than 15 percent.

The bill further levels tax policy for self-employed, because corporations now can deduct health-care expenses from all of their taxes. Manzullo estimates the legislation would cost the government between \$1 billion and \$2 billion annually.

In order to avoid shortfalls in Social Security trust funds, the legislation calls for an annual appropriation from general revenues into the fund to account for the payroll tax deduction.

Manzullo votes to reduce taxes

Manzullo (R-IL) voted for major legislation on May 9 that will cut taxes for all working Americans, while providing incentives to employers, encouraging them to grow their businesses and create new jobs.

The House approved the legislation. The Jobs and Growth Tax Act of 2003 (H.R. 2) will provide tax relief to individuals and businesses to immediately create jobs, while generating long-term economic growth for the future.

The legislation speeds up the individual income tax rate reductions originally approved in 2001.

Tax rates immediately drop from 28 to 25 percent, 36 to 33 percent and 39 to 35 percent.

"This is significant relief which will help Americans get through these tough times, while encouraging them to spend more in the near future, which will stimulate our economy," Manzullo said.

The legislation also increases small-business expensing limits from \$25,000 to \$100,000 and hikes the overall investment limit to \$400,000.

It also reduces the tax on dividends and capital gains to 5 percent for the lowest two tax brackets and 15 percent for the remaining brackets.